

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATE FITZPATRICK | ELIZABETH FONTAINE | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

MEMORANDUM

TO: Plymouth County Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: November 17, 2015

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made in equal installments on July 1 and January 1 of each fiscal year. The schedule is effective in FY16 (since the amount under the prior schedule was maintained in FY16) and is acceptable under Chapter 32.

We note that the Board reduced the investment return assumption from 8.25% to 8.0% in the 2015 valuation. For comparison, there are now 76 systems using an assumption under 8.0% and of these, 20 are using an assumption under 7.75%. We have generally recommended an assumption of 7.50% - 7.60% in 2015 PERAC local system valuations. Based on the current environment, we recommend the Board consider reducing this assumption further for the 2017 valuation.

We also recommend boards consider adopting a fully generational mortality assumption. A fully generational assumption includes all expected future mortality improvement (longer life expectancy). Currently 43 systems have adopted such an assumption and we expect more than 50 will have adopted this type of assumption after all 2015 valuations are completed.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



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Appropriation Forecast

Fiscal Year	Employee	Employer	Amortization	Employer	Employer	Unfunded	Funded
Ending	Contribution	Normal Cost	Payments	Total Cost	Total Cost	Liability	Ratio %**
		with Interest	with Interest	with Interest	% of Payroll		
2016	\$21,335,589	\$13,243,028	\$50,869,520	\$64,112,548	26.0	\$590,566,333	58.3
2017	\$22,325,258	\$13,538,829	\$53,834,388	\$67,373,217	26.3	\$585,995,837	59.8
2018	\$23,359,149	\$13,838,193	\$55,951,286	\$69,789,479	26.3	\$577,980,373	61.7
2019	\$24,439,187	\$14,140,969	\$58,152,861	\$72,293,830	26.2	\$567,165,058	63.6
2020	\$25,567,379	\$14,446,994	\$59,860,420	\$74,307,414	26.0	\$553,239,562	65.7
2021	\$26,745,817	\$14,756,086	\$61,950,357	\$76,706,443	25.9	\$536,458,765	67.8
2022	\$27,976,685	\$15,068,043	\$64,426,829	\$79,494,872	25.8	\$516,204,359	69.9
2023	\$29,262,256	\$15,382,646	\$67,002,360	\$82,385,006	25.8	\$491,804,329	72.2
2024	\$30,604,903	\$15,699,654	\$69,680,912	\$85,380,566	25.8	\$462,826,013	74.6
2025	\$32,007,098	\$16,018,807	\$72,466,606	\$88,485,413	25.8	\$428,798,099	77.2
2026	\$33,471,420	\$16,339,818	\$75,363,728	\$91,703,546	25.7	\$389,207,363	79.9
2027	\$35,000,556	\$16,662,379	\$78,376,735	\$95,039,114	25.7	\$343,495,159	82.8
2028	\$36,597,308	\$16,986,154	\$81,510,262	\$98,496,416	25.7	\$291,053,598	85.8
2029	\$38,264,597	\$17,310,781	\$84,730,574	\$102,041,355	25.6	\$231,221,439	89.0
2030	\$40,005,468	\$17,635,868	\$88,119,797	\$105,755,665	25.6	\$163,318,934	92.5
2031	\$41,823,094	\$17,960,993	\$91,644,589	\$109,605,582	25.6	\$86,528,220	96.1
2032	\$43,720,785	\$18,285,702	\$0	\$18,285,702	4.1	\$0	100.0
2033	\$45,701,988	\$18,609,507	\$0	\$18,609,507	4.0	\$0	100.0
2034	\$47,770,300	\$18,931,882	\$0	\$18,931,882	4.0	\$0	100.0
2035	\$49,929,466	\$19,252,267	\$0	\$19,252,267	3.9	\$0	100.0
2036	\$52,183,393	\$19,570,057	\$0	\$19,570,057	3.8	\$0	100.0
2037	\$54,536,152	\$19,884,608	\$0	\$19,884,608	3.7	\$0	100.0
2038	\$56,991,984	\$20,195,229	\$0	\$20,195,229	3.6	\$0	100.0
2039	\$59,555,312	\$20,501,185	\$0	\$20,501,185	3.6	\$0	100.0
2040	\$62,230,745	\$20,801,688	\$0	\$20,801,688	3.5	\$0	100.0
2041	\$65,023,085	\$21,095,899	\$0	\$21,095,899	3.4	\$0	100.0
2042	\$67,461,451	\$21,886,995	\$0	\$21,886,995	3.4	\$0	100.0
2043	\$69,991,255	\$22,707,757	\$0	\$22,707,757	3.4	\$0	100.0
2044	\$72,615,927	\$23,559,298	\$0	\$23,559,298	3.4	\$0	100.0
2045	\$75,339,025	\$24,442,772	\$0	\$24,442,772	3.4	\$0	100.0